REMARKS

Applicant respectfully requests reconsideration and allowance of the subject application. Claims 2, 5, 6, and 11 have been amended. Claim 4 and claim 13 have been deleted. Claim 20 has been added. No new matter has been added.

These amendments are properly presented after a final rejection as they place the claims in condition for allowance, or alternatively, in better condition for appeal. Thus, Applicant respectfully requests entry of the claim amendments.

Allowable Subject Matter

The Examiner has acknowledged that claims 5-8 and 14-17 are directed to allowable subject matter, and would be allowable if re-written in independent form including all of the limitations in the base claim from which they depend and any intervening claims. Applicant appreciates the indication of allowability.

Claim Objections

Claim 2-10 and 19 were objected to because claim 2 did not end with a period. The appropriate correction has been made.

Claim Rejections under 35 U.S.C. §112

Claim 9 has been rejected under 35 U.S.C. §112 for a lack of antecedent basis for the term "said source image." Claim 9 has been amended to recite "said source data" to overcome this rejection.

Claim Rejections under 35 U.S.C. §102(e)

Independent claims 2-4, 9-13, and 19 have been rejected under 35 U.S.C. §102(e) as being anticipated by U.S. Patent No. 6,658,157 issued to Satoh, et al. (hereinafter "Satoh"). With respect to this rejection, as applied to amended independent claims 2 and 11, the Applicant respectfully traverses.

Independent Claim 2 Is Not Anticipated by Satoh

A claim is anticipated only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference." *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d 628, 631, 2 USPQ 1051, 1053 (Fed Cir. 1987).

MPEP 2131.

Independent Claims 2 and 11 Are Not Anticipated by Satoh

Independent claim 2, as currently amended, contains the following element:

A single pass compression method for regulating compression of serialized input data as a function of an in-progress measure of said compression... for each block in turn, selecting a compression mode in accordance with the number of colors contained in said source image, said compression mode to compress that block so that the resulting compressed block fits its corresponding target block size as determined in step c...

Independent claim 11, as currently amended, contains the following element:

A single pass image compression system comprising... a mode selector coupled to said encoder for selecting one of said compression modes for compressing a given source block in accordance with the number of colors contained in said source block, said mode selector selecting a compression mode at least in part as a function of a target block size for a current source block...

Satoh does not teach using the color content of source blocks to select a compression mode. Furthermore, the Examiner indicates none of prior art references teach selecting from mode families including an n-color mode family including lossless n-color compression modes, and a BTC-VQ mode family including lossy BTC-VQ compression mode. See Office Action mailed 12/6/04, paragraph 5. Applicant asserts that none of the prior art teaches or suggests any form of selecting mode families based on color attributes.

Because Satoh fails to teach or suggest each and every element as set forth in the claim 1 and 11, these claims are neither anticipated nor rendered obvious by Satoh. Thus, the rejections of claims 1 and 11 under 35 U.S.C. §102(e) should be withdrawn.

All remaining pending rejected claims depend from either claim 1 or claim 11, and thus are allowable for at least the reasons set forth above.

CONCLUSION

Based upon the foregoing remarks, the claims are believed to be in condition for allowance. An early notice of allowance is respectfully solicited. If the Examiner believes, however, that direct communication would advance prosecution, the Examiner is invited to telephone the undersigned.

Respectfully submitted,

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